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MINISTRY OF COMMERCE

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 26th September 1964

SUBJECT:—*Import of capital equipment, machine tools, components and spare parts against the U.K. credit.*

No. 81-ITC(PN)/64.—It is notified for information of the Trade that the British Government have made available a second loan of £ 4 million (Rs 5.33 crores) to the Government of India as a part of their contribution towards the foreign exchange costs of economic development under India's Third Five Year Plan.

2 The above loan, which will be made under the authority of Section 3 of the U.K. Export Guarantee Act, 1949, will be subject to the following conditions —

- (i) The loan is primarily to be used for improving the operating efficiency of manufacturers in India, particularly the metal using and engineering industries, who traditionally look to Britain for their supplies of components, spare parts and equipment and who on account of foreign exchange shortages are experiencing difficulties in obtaining their supplies
- (ii) The loan is designed to provide a little extra leeway, so that the firms eligible to benefit from the loan can receive additional import licences

3 It has been decided to allocate this £4 million loan (Rs 5.33 crores) in the following manner for licensing within specific ceilings which may be earmarked for the purpose.—

- (a) Firms producing machinery and equipment and manufacturers of automobiles and their components, which are of British design, will be given additional licences for components and in exceptional cases for small amounts of specialised raw materials essential to the production process, which have necessarily to be imported from Britain [In some cases, small amounts may also be used for spares when these cannot be catered for by the manufacturers' representatives referred to in (b) below]
- (b) Representatives of British manufacturers of machinery and equipment, who have been receiving import licences in the past as established importers will be given additional licences to bring in spare parts, which are necessary for servicing and maintaining the equipments of their Principals which are already installed in India

(c) Licences may also be given against this loan to replace obsolete and written-off machine tools and other equipment of British origin as well as for minor balancing equipment needed for the use along with British machinery which they have already installed.

4. The licence will be issued with an initial validity period of six months only, and can be revalidated only on the basis indicated in para 5 below.

5. Firm orders must be placed on the suppliers in the U.K. within three months from the date of issue of the licence. The licence may be submitted to the licensing authority concerned for revalidation only after firm orders have been placed, and on the basis of the dates of delivery of equipment indicated by the suppliers.

6. Payments against the import licence may be effected by the licensee through authorised dealers in foreign exchange in the normal manner and must be completed either on shipment of goods or delivery of the goods in India, subject to a small payment, wherever necessary, not exceeding 10 per cent of the invoice value of the goods, to be paid on satisfactory performance of the plant, but in any case not later than one year after complete shipment of the equipment.

7. Within a fortnight of the placing of orders, a report in duplicate should be sent to the Department of Economic Affairs, Economic Aid Accounts Section, Ministry of Finance, New Delhi, with a copy to the Ministry of Industry & Supply (Foreign Exchange Section), Udyog Bhavan, New Delhi, supported by the following information:—

- (a) Name and address of the importer;
- (b) No. and date and value of the licence.
- (c) Name and address of the U.K. Suppliers.
- (d) Value in £ of the order placed and accepted by the U.K. Suppliers.
- (e) Short description of goods to be imported.
- (f) Terms of payment under the contract.
- (g) Name and address of the authorised dealer in foreign exchange in India through whom payment is to be effected.
- (h) A schedule showing probable dates on which payments under the contract will fall due.

8. Within a month of the placing of orders, the Licensee should send two copies of the contract with the U.K. Suppliers accompanied by four copies of a certificate of manufacture from the supplier in the form attached, to the Department of Economic Affairs, Economic Aid Accounts Section. If any contract is to be amended the licensee should intimate promptly the change in the contract to Department of Economic Affairs, Economic Aid Accounts Section and send four copies of the amendment to the contract accompanied by four copies of a further certificate in the form attached. The licensee should ensure that the suppliers' certificate as in the attached form is promptly submitted to Department of Economic Affairs, Economic Aid Accounts Section. When payment is made by letter of credit, the Indian Exchange Bank should indicate the reimbursement of the supplier's certificate of manufacture in the letter of credit itself. Where, however, remittances are made by a method other than letter of credit, the Indian Exchange Bank will allow remittance only after the receipt of the supplier's certificate by the importer.

9. The licensee should submit to the Department of Economic Affairs, Economic Aid Accounts Section, within one month of making the payment the following documents:—

- (i) Four copies of the invoice of the U.K. supplier out of which one should be original and other three photo or duplicate copies duly certified by the U.K. supplier that the payment has been made, or supported by a Banker's remittance certificate.
- (ii) One copy of the relevant Bill of lading.

10. The applications for additional licences for import of goods specified in categories (a) and (c) of para 3 above for the half year October, 1964—March, 1965 will be entertained by the Chief Controller of Imports and Exports, New Delhi, from the scheduled industries producing various types of machinery and equipments, except Textile machinery, and from manufacturers of automobiles

and their components and other products on the basis of the essentiality certificates issued by the concerned sponsoring authorities. The applications from scheduled industries producing Textile machinery will be entertained by the Joint Chief Controller of Imports and Exports, Bombay on the basis of essentiality certificates issued by the Textile Commissioner, Bombay. Such applications should be supported by satisfactory documentary evidence to show that:—

- (i) Machinery and equipment produced are of British design;
- (ii) The obsolete and written-off machine tools and other equipment, which are desired to be replaced, are of British origin; and
- (iii) The balancing equipment needed is for use along with the British machinery already installed.

The applications from scheduled industries borne on the books of the Directorate General of Technical Development should be routed through the concerned Directorates of the Directorate General of Technical Development. The applications for additional licences for import of goods specified in category (b) of para 3 above for the half year October, 1964—March, 1965 will also be entertained by the Chief Controller of Imports and Exports, New Delhi, from established importers, who are Representatives of British manufacturers of machinery and equipment. Such applications should show the details of licences obtained for specific items in the past and should be supported by satisfactory evidence to show that the applicants are accredited Representatives of the British Manufacturers of machinery and equipment.

11. The applications from the eligible categories of importers for additional licences for import of permissible goods in terms of this Public Notice should be submitted in the prescribed form and manner to the concerned licensing authorities, duly supported by the required documentary evidence, as early as possible, but in any case not later than the 24th October, 1964.

FORM OF CERTIFICATE REFERRED TO IN THE MINISTRY OF COMMERCE PUBLIC NOTICE
No. 81-ITC(PN)/64, DATED 26TH SEPTEMBER 1964

CERTIFICATE OF MANUFACTURE

Description of goods	Contract No.	Date	Amount

I hereby declare that I have the authority to make and sign this certificate on behalf of the supplier(s) named below and that I have the means of knowing and do hereby certify that:—

Every article mentioned in the above-mentioned contract(s) has been or will be wholly manufactured in the United Kingdom.

Signed

For and on behalf of

(name and address of supplier).

P. SABANAYAGAM,
Chief Controller of Imports and Exports.

